

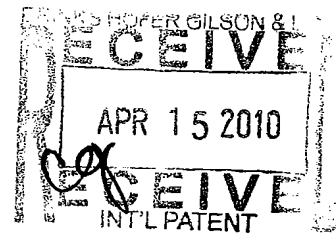
From the INTERNATIONAL BUREAU

PCT**NOTIFICATION CONCERNING
TRANSMITTAL OF COPY OF INTERNATIONAL
PRELIMINARY REPORT ON PATENTABILITY
(CHAPTER I OF THE PATENT COOPERATION
TREATY)**

(PCT Rule 44bis.1(c))

To:

GNOFFO, Vincent, J.
Brinks Hofer Gilson & Lione
P.O. Box 10087
Chicago, IL 60610
ETATS-UNIS D'AMERIQUE

Date of mailing (*day/month/year*)

25 March 2010 (25.03.2010)

Applicant's or agent's file reference

4672-697

IMPORTANT NOTICE

International application No.

PCT/US2008/075980

International filing date (*day/month/year*)

11 September 2008 (11.09.2008)

Priority date (*day/month/year*)

13 September 2007 (13.09.2007)

Applicant

CHICAGO MERCANTILE EXCHANGE, INC. et al

The International Bureau transmits herewith a copy of the international preliminary report on patentability (Chapter I of the Patent Cooperation Treaty)

The International Bureau of WIPO
34, chemin des Colombettes
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PATENT COOPERATION TREATY

PCT

INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY (Chapter I of the Patent Cooperation Treaty)

(PCT Rule 44bis)

Applicant's or agent's file reference 4672-697	FOR FURTHER ACTION	See item 4 below
International application No. PCT/US2008/075980	International filing date (<i>day/month/year</i>) 11 September 2008 (11.09.2008)	Priority date (<i>day/month/year</i>) 13 September 2007 (13.09.2007)
International Patent Classification (8th edition unless older edition indicated) See relevant information in Form PCT/ISA/237		
Applicant CHICAGO MERCANTILE EXCHANGE, INC.		

1. This international preliminary report on patentability (Chapter I) is issued by the International Bureau on behalf of the International Searching Authority under Rule 44 *bis*.1(a).

2. This REPORT consists of a total of 6 sheets, including this cover sheet.

In the attached sheets, any reference to the written opinion of the International Searching Authority should be read as a reference to the international preliminary report on patentability (Chapter I) instead.

3. This report contains indications relating to the following items:

- | | | |
|-------------------------------------|--------------|---|
| <input checked="" type="checkbox"/> | Box No. I | Basis of the report |
| <input type="checkbox"/> | Box No. II | Priority |
| <input type="checkbox"/> | Box No. III | Non-establishment of opinion with regard to novelty, inventive step and industrial applicability |
| <input type="checkbox"/> | Box No. IV | Lack of unity of invention |
| <input checked="" type="checkbox"/> | Box No. V | Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement |
| <input type="checkbox"/> | Box No. VI | Certain documents cited |
| <input type="checkbox"/> | Box No. VII | Certain defects in the international application |
| <input type="checkbox"/> | Box No. VIII | Certain observations on the international application |

4. The International Bureau will communicate this report to designated Offices in accordance with Rules 44bis.3(c) and 93bis.1 but not, except where the applicant makes an express request under Article 23(2), before the expiration of 30 months from the priority date (Rule 44bis .2).

The International Bureau of WIPO 34, chemin des Colombettes 1211 Geneva 20, Switzerland	Date of issuance of this report 16 March 2010 (16.03.2010)
Facsimile No. +41 22 338 82 70	Authorized officer <div style="text-align: center; font-weight: bold;">Nora Lindner</div>
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PATENT COOPERATION TREATY

From the
INTERNATIONAL SEARCHING AUTHORITY

To: VINCENT J. GNOFFO
BRINKS HOFER GILSON & LIONE
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CHICAGO, IL 60610

PCT

WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITY

(PCT Rule 43bis.1)

Date of mailing
(day/month/year)

21 NOV 2008

Applicant's or agent's file reference
4672-697

FOR FURTHER ACTION

See paragraph 2 below

International application No.

PCT/US 08/75980

International filing date (day/month/year)

11 September 2008 (11.09.2008)

Priority date (day/month/year)

13 September 2007 (13.09.2007)

International Patent Classification (IPC) or both national classification and IPC

IPC(8) - G06Q 40/00 (2008.04)

USPC - 705/36R

Applicant CHICAGO MERCANTILE EXCHANGE, INC.

1. This opinion contains indications relating to the following items:

- ☒ Box No. I Basis of the opinion
- ☐ Box No. II Priority
- ☐ Box No. III Non-establishment of opinion with regard to novelty, inventive step and industrial applicability
- ☐ Box No. IV Lack of unity of invention
- ☒ Box No. V Reasoned statement under Rule 43bis.1(a)(i) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement
- ☐ Box No. VI Certain documents cited
- ☐ Box No. VII Certain defects in the international application
- ☐ Box No. VIII Certain observations on the international application

2. FURTHER ACTION

If a demand for international preliminary examination is made, this opinion will be considered to be a written opinion of the International Preliminary Examining Authority ("IPEA") except that this does not apply where the applicant chooses an Authority other than this one to be the IPEA and the chosen IPEA has notified the International Bureau under Rule 66.1bis(b) that written opinions of this International Searching Authority will not be so considered.

If this opinion is, as provided above, considered to be a written opinion of the IPEA, the applicant is invited to submit to the IPEA a written reply together, where appropriate, with amendments, before the expiration of 3 months from the date of mailing of Form PCT/ISA/220 or before the expiration of 22 months from the priority date, whichever expires later.

For further options, see Form PCT/ISA/220.

3. For further details, see notes to Form PCT/ISA/220.

Name and mailing address of the ISA/US
Mail Stop PCT, Attn: ISA/US
Commissioner for Patents
P.O. Box 1450, Alexandria, Virginia 22313-1450
Facsimile No. 571-273-3201

Date of completion of this opinion

11 November 2008 (11.11.2008)

Authorized officer:

Lee W. Young

PCT Helpdesk: 571-272-4300
PCT OSP: 571-272-7774

WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITY

International application No.

PCT/US 08/75980

Box No. I Basis of this opinion

1. With regard to the language, this opinion has been established on the basis of:
 - ☒ the international application in the language in which it was filed.
 - ☐ a translation of the international application into _____ which is the language of a translation furnished for the purposes of international search (Rules 12.3(a) and 23.1(b)).
2. ☐ This opinion has been established taking into account the rectification of an obvious mistake authorized by or notified to this Authority under Rule 91 (Rule 43bis.1(a))
3. With regard to any nucleotide and/or amino acid sequence disclosed in the international application, this opinion has been established on the basis of:
 - a. type of material
 - ☐ a sequence listing
 - ☐ table(s) related to the sequence listing
 - b. format of material
 - ☐ on paper
 - ☐ in electronic form
 - c. time of filing/furnishing
 - ☐ contained in the international application as filed
 - ☐ filed together with the international application in electronic form
 - ☐ furnished subsequently to this Authority for the purposes of search
4. ☐ In addition, in the case that more than one version or copy of a sequence listing and/or table(s) relating thereto has been filed or furnished, the required statements that the information in the subsequent or additional copies is identical to that in the application as filed or does not go beyond the application as filed, as appropriate, were furnished.
5. Additional comments:

**WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITY**

International application No.

PCT/US 08/75980

Box No. V Reasoned statement under Rule 43bis.1(a)(i) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

1. Statement

Novelty (N)	Claims	none	YES
	Claims	1-18	NO
Inventive step (IS)	Claims	none	YES
	Claims	1-18	NO
Industrial applicability (IA)	Claims	1-18	YES
	Claims	none	NO

2. Citations and explanations:

Claims 1-18 lack novelty under PCT Article 33(2) as being anticipated by US 2005/0108141 A1 to Farrell et al.(hereinafter 'Farrell').

As per claim 1, directed to a stop-loss system that mitigates the effects of a market spike, Farrell discloses a stop-loss system that mitigates the effects of a market spike caused by the triggering and election of a stop order, comprising:
evaluation logic that monitors orders received at an automated trading engine in an automated trade matching system, the evaluation logic configured to compare an execution price of the stop order to a predetermined price threshold (para [0029]);
stop-loss trigger logic that flags a market for an instrument when the execution price of the stop order lies beyond the predetermined price threshold (para [0031]); a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold, the matching engine sends a command to reserve, or temporarily suspend matching, for a predefined period of time).
; and
matching logic that matches orders for the instrument in the flagged market at the predetermined price threshold against orders beyond the predetermined price threshold, where the orders for the instrument in the flagged market comprise orders received at the automated trading engine having a price within the predetermined price threshold (para [0031]); a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold, the matching engine sends a command to reserve, or temporarily suspend matching, for a predefined period of time; para [0029]. The timing logic measures a time interval used to delay a matching of the orders until the opening price is within a predefined price range or an interval of time lapses.).

As per claim 2, Farrell further discloses that the predetermined price threshold is associated with a no-bust range (para [0047]).

As per claim 3, Farrell further discloses that the predetermined price threshold comprises a variable price threshold that varies with any of a market volatility, time of day, and combinations thereof (para [0041]).
The present embodiments may suspend trading until the market is adjusted within a threshold range, or when a period of time lapses. The period of time may vary in length in relation to the time of day, the product traded, market volatility and/or any other relevant market condition or combination of market conditions.).

As per claim 4, Farrell further discloses that the matching logic is further configured to match orders for the instrument in the flagged market at the predetermined price threshold against orders beyond the predetermined price threshold, and prioritize the matching of orders based on price, order arrival, or a combination thereof.(para [0031]); a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold; para [0060], one or more matching systems or methods, such as a "first in, first out" ("FIFO"), an allocation, a hybrid price/time priority, such as a Lead Market Maker ("LMM").).

As per claim 5, Farrell further discloses price logic that adjusts the predetermined price threshold when orders received at the automated trading engine for the instrument in the flagged market have a price beyond the predetermined price threshold, a predetermined time interval is exceeded, a predetermined quantity is exceeded, or a combination thereof (para [0041]), the market is adjusted within a threshold range when a period of time lapses.).

As per claim 6, Farrell further discloses that the orders received at the automated trading engine for the instrument in the flagged market that have a price beyond the predetermined price threshold are matched at the adjusted price threshold against orders beyond the predetermined price threshold (para [0031]); a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold, the matching engine sends a command to reserve, or temporarily suspend matching, for a predefined period of time).

—Please See Continuation Sheet—

WRITTEN OPINION OF THE
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Supplemental Box

In case the space in any of the preceding boxes is not sufficient.

Continuation of:
Box No. V(2) – citations and explanations

As per claim 7, directed to a system that mitigates the effects of rises or falls in market prices caused by the execution of a conditional order, Farrell discloses a system that mitigates the effects of rises or falls in market prices caused by the execution of a conditional order, comprising:
an order book manager that receives orders (para [0046], an order book manager; para [0058], orders are received.);
an order processor (para [0046], an order processor) that compares an execution price of the conditional order to a predetermined price threshold (para [0029]); and
a spike control processor (para [0046], spike control processor) that controls the matching of at least one order received by the order book manager when the price of the conditional order lies beyond the predetermined price threshold, orders received by the order book manager within the predetermined price threshold being matched at the predetermined price threshold against orders beyond the predetermined price threshold (para [0031], a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold, the matching engine sends a command to reserve, or temporarily suspend matching, for a predefined period of time; para [0029]. The timing logic measures a time interval used to delay a matching of the orders until the opening price is within a predefined price range or an interval of time lapses.).

As per claim 8, Farrell further discloses that the predetermined price threshold is associated with a no-bust range (para [0047]).

As per claim 9, Farrell further discloses that the predetermined price threshold comprises a variable price threshold that varies with any of a market volatility, time of day, and combinations thereof (para [0041]).
The present embodiments may suspend trading until the market is adjusted within a threshold range, or when a period of time lapses. The period of time may vary in length in relation to the time of day, the product traded, market volatility and/or any other relevant market condition or combination of market conditions.).

As per claim 10, Farrell further discloses that the spike control processor is further configured to control the matching of orders such that the orders are matched at the predetermined price threshold against orders beyond the predetermined price threshold, and are prioritized based on price, order arrival, or a combination thereof (para [0031], a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold; para [0060], one or more matching systems or methods, such as a "first in, first out" ("FIFO"), an allocation, a hybrid price/time priority, such as a Lead Market Maker ("LMM").).

As per claim 11, Farrell further discloses that a step price processor that adjusts the predetermined price threshold when orders received at the order book manager have a price beyond the predetermined price threshold, a predetermined time interval is exceeded, a predetermined quantity is exceeded, or a combination thereof (para [0041]), the market is adjusted within a threshold range when a period of time lapses.).

As per claim 12, Farrell further discloses that the orders received at the order book manager that have a price beyond the predetermined price threshold are matched at the adjusted price threshold against orders beyond the predetermined price threshold (para [0031], a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold, the matching engine sends a command to reserve, or temporarily suspend matching, for a predefined period of time).

As per claim 13, directed to a method of mitigating the effect of a market spike caused by the triggering and election of a conditional order, Farrell discloses a method of mitigating the effect of a market spike caused by the triggering and election of a conditional order, comprising:
monitoring orders submitted to an automated trading engine in an automated matching system; (para [0029])
comparing the execution price of the conditional order to a predetermined price threshold (para [0029]);
flagging a market for an instrument when the execution price of the stop order lies beyond the predetermined price threshold para [0031], a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold, the matching engine sends a command to reserve, or temporarily suspend matching, for a predefined period of time.);
matching orders for the instrument in the flagged market at the predetermined price threshold against orders beyond the predetermined price threshold, where the orders for the instrument in the flagged market comprise orders received at the automated trading engine having a price within the predetermined price threshold (para [0031], a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold, the matching engine sends a command to reserve, or temporarily suspend matching, for a predefined period of time; para [0029]. The timing logic measures a time interval used to delay a matching of the orders until the opening price is within a predefined price range or an interval of time lapses.).

As per claim 14, Farrell further discloses that the predetermined price threshold is associated with a no-bust range (para [0047]).

As per claim 15, Farrell further discloses that the predetermined price threshold comprises a variable price threshold that varies with any of a market volatility, time of day, and combinations thereof (para [0041]).
The present embodiments may suspend trading until the market is adjusted within a threshold range, or when a period of time lapses. The period of time may vary in length in relation to the time of day, the product traded, market volatility and/or any other relevant market condition or combination of market conditions.).

–Please See Continuation Sheet–

WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITYInternational application No.
PCT/US 08/75980

Supplemental Box

In case the space in any of the preceding boxes is not sufficient.

Continuation of:

Box No. V(2) – citations and explanations

As per claim 16, Farrell further discloses matching orders further comprises matching orders for the instrument in the flagged market at the predetermined price threshold against orders beyond the predetermined price threshold, in a priority order based on price, order arrival, or a combination thereof (para [0031], a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold; para [0060], one or more matching systems or methods, such as a "first in, first out" ("FIFO"), an allocation, a hybrid price/time priority, such as a Lead Market Maker ("LMM").).

As per claim 17, Farrell further discloses adjusting the predetermined price threshold when orders received at the automated trading engine for the instrument in the flagged market have a price beyond the predetermined price threshold, a predetermined time interval is exceeded, a predetermined quantity is exceeded, or a combination thereof (para [0041], the market is adjusted within a threshold range when a period of time lapses.).

As per claim 18, Farrell further discloses matching orders further comprises matching orders for the instrument in the flagged market at the adjusted price threshold against orders beyond the predetermined price threshold (para [0031], a matching engine checks a stop order book to determine if any new stop orders can be introduced into the market. When a difference between an original price and a currently traded price caused by a stop execution reaches a predefined threshold, the matching engine sends a command to reserve, or temporarily suspend matching, for a predefined period of time)..

Claims 1-18 have industrial applicability as defined by PCT Article 33(4) because the subject matter can be made or used in industry.